

## ECONOMY

# VISION



Sonoma County actively partners with local employers to become a resilient, inclusive, and economically diverse community. Through public-private partnerships, Sonoma County businesses and residents emerge with greater capacity to address persistent local challenges and are resilient to future disasters.

INCLUSIVE

*Come In*  
WE'RE  
**OPEN**

PUBLIC-PRIVATE PARTNERSHIPS

**Outreach**  
encouraging  
employers  
to apply for  
SBA loans

Prompted residents and visitors  
to **#GoSoCo** by shopping local  
to support businesses

LOCAL

## BACKGROUND

Sonoma County is home to over 500,000 residents. It has 20,000 businesses employing over 250,000 workers. With an unemployment rate of just 3%, the labor market is effectively at full employment. As such, growth potential of the local economy has become severely constrained by little or no growth in the labor force, partly because of the high cost of housing. The fires have exacerbated the reality that Sonoma County has one of the tightest labor markets in a decade and a severe housing shortage.

Prior to the fires, Sonoma County Economic Development Board (EDB) had begun work on a five-year comprehensive economic development strategy, *Strategic Sonoma*. EDB was completing the research phase of this strategy, which included economic analysis, stakeholder input, and a strengths, weaknesses, opportunities, and threats (SWOT) analysis. A 30-member *Strategic Sonoma* Advisory Group was in place to guide the planning process. The group had participated in workshops to begin forming a strategy. When the fires hit, this effort shifted immediately to begin focusing on recovery needs of the community.

**Impact of Fires on the Local Economy.** Recognizing the urgent needs of the community after the fires, Sonoma County EDB redirected the work of *Strategic Sonoma* towards creation of the Sonoma County Economic Recovery Plan. Because EDB already had a 30-member *Strategic Sonoma* Advisory Group in place, it was able to transition quickly to focus on recovery.

EDB conducted a survey with local businesses to identify impacts of the fires. The 194 businesses that participated in the Economic Recovery Plan survey shared both good and bad news. Almost every business stated that they had been adversely affected by the fires. Businesses reported direct physical loss, loss of sales, disruptions to power and broadband services, and dislocated workers. Many businesses expressed concerns that the fires worsened challenges like housing, affordability, workforce, transportation, and environmental sustainability.

## BACKGROUND

Housing remains a critical concern for the business community. As discussed in the previous section, Sonoma County will need to make significant progress in building development to replace lost housing and meet demands. Forecasts suggest that tax revenues and employment should remain strong following the fires. Continued underbuilding of housing will constrain future job, income, and tax revenue growth.

**Post-Fire Situation/Ongoing Efforts.** Even before the fires were fully contained, EDB staff started working with partners to ensure that the community received disaster-related benefits from the local, state, and federal government. The department created a temporary Business Recovery Center and continues to serve impacted businesses by providing needed services. This includes assistance with accessing available funding to rebuild, cover payroll, tax credits and incentives, and to help with filing claims. In collaboration with the City of Santa Rosa, the EDB created a Business Recovery Guide featuring a comprehensive list of resources for businesses affected by the fires. The EDB also helped link qualified businesses and workers with available benefits like Disaster Unemployment and Small Business Administration Loans. The City of Santa Rosa, the EDB, and the Santa Rosa Metro Chamber of Commerce formed an outreach team to support the area's largest employers. The team assisted with workforce issues resulting from the fires and provided customized workshops.

To support small businesses in the weeks after the wildfires and in the run-up to the holiday shopping season, the EDB and the City of Santa Rosa launched the Shop Local campaign “#GoSoCo – All You Need is Local.” The campaign included participation from chambers of commerce countywide and won both a statewide award from the California Association of Local Economic Development and a national award from the International Economic Development Association.

County stakeholders agree with the desire to recover as a more resilient community. The research obtained through the *Strategic Sonoma* process provided a deep understanding of other dynamics at play in the County economy. Issues like housing, workforce, environmental sustainability, and infrastructure emerged as top priorities.

## CHALLENGES & OPPORTUNITIES

The wildfires have highlighted the need for EDB to continue its role in countywide economic and workforce development. EDB must also support and prioritize the businesses, employees, and neighborhoods most impacted by the fires. Shortly after the fires, EDB realigned its *Strategic Sonoma* initiative to focus on development of a short-term economic recovery plan. The plan identifies the economic development efforts that will provide the greatest opportunity for the County to recover. The economic recovery plan informs the larger *Strategic Sonoma Action Plan*, which outlines economic development strategies to pursue over the next few years to support local business and creative communities as they work to rebuild and brings back jobs lost going forward.

The challenges before the wildfires, including the tightest labor market in decades and a severe housing shortage, were worsened by the wildfires. The challenge is to ensure that the hundreds of businesses that applied for financial assistance in the wake of the disaster are able to secure technical and financial assistance necessary to rebuild and recover. According to FEMA's past experience with business recovery after a disaster, 40-60% of businesses that close as a result of a disaster never reopen.

## COMMUNITY INPUT

Economic recovery was often discussed at the community meetings organized to get input on the Framework. The main themes expressed include support for workforce housing; the need to build sustainable career pathways for employees with a focus on construction; support for local businesses impacted by the fires; and ongoing promotion and advertising of Sonoma County as a tourist destination.

Community members consistently pointed out that the two critical areas of recovery, Housing and the Economy, are intricately linked. It is difficult to envision a healthy and thriving workforce without places for employees to live. Some suggested that leaders from different disciplines work together to create increased housing opportunities for residents in jobs that strengthen the economy. In addition, housing is needed for the local student population.

Community members expressed support for building career pathways and aiding employees in the workforce. One way to address this need is to expand partnerships with educational institutions, including middle schools and high schools, to improve education and training for trade and vocational programs, especially in the construction industry. Participants suggested apprenticeship opportunities, loans, grants, and free educational opportunities as steps to support students. Participants also said that workplace safety and affordable child care were important ways to support the workforce.

Community members support efforts to diversify and expand local business to create jobs and boost the local economy. One suggestion is to expand the economy beyond tourism and the wine industry and to foster and attract new manufacturing and technology companies. Supporting the cannabis industry was also noted as a way to achieve job growth. Some community members stated a need for increased wages given the high cost of living in Sonoma County. Others said that

## COMMUNITY INPUT

providing better and more affordable transportation options would be a good way to support workers and their families.

Community feedback suggested that expanded broadband infrastructure would support local businesses.

The community also discussed strategies for bolstering tourism including advertising to let potential tourists know that Sonoma County is open for business. To house tourists, community members urge hotels to be rebuilt quickly. Rebuilding hotels will also increase job opportunities, especially for those that may have been previously employed by businesses that burned down. Community members also suggest encouraging residents and visitors to shop local, including using local contractors to rebuild.

“We should reward employers for creating local jobs that pay well enough for employees to buy homes and apartments.”

— COMMUNITY MEMBER





## STRATEGY AREA 3

### **Economy**

# GOALS

1. Develop and support a high quality and equitable local workforce that contributes to rebuild efforts, resiliency, and long-term economic vitality in Sonoma County.
2. Support local businesses to thrive by ensuring access to resources, developing partnerships, and providing entrepreneurial support.



## ACTIONS & TIMELINES

### Economy

# GOAL E1

## GOAL E1

Develop and support a high quality and equitable local workforce that contributes to rebuild efforts, resiliency, and long-term economic vitality in Sonoma County.

PROPOSED ACTIONS:	0-1 YEAR THROUGH 2019	2-3 YEARS 2020-2021	3+ YEARS 2022+
Create a Sonoma County Cooperative Education Program that combines classroom-based learning with structured work experience to develop a pipeline of skilled graduates into local firms.			
Establish a Talent Alignment Council comprised of private employers, government bodies, and educational institutions to evaluate current and forecasted talent shortages, as well as strategies for addressing needs and connecting career pathways.			
Develop a plan to train and recruit new construction workers that includes collaborating with the North Bay Construction Corps, a five-month after school training program for high school seniors interested in construction and the trades.			
Utilize grant funding from the California Employment Development Department to help train residents for in-demand construction jobs and promote opportunities in both English and Spanish.			
Support an Employer Housing Council, to encourage a variety of workforce housing solutions by collaborating with private sector employers and the Renewal Enterprise District to support opportunities for increased workforce housing, especially for construction and associated trade workers.			
Continue to partner with and expand the Sonoma County Youth Ecology Corps to potentially include "green jobs" focused on vegetation management.			
Establish a formal construction skills training center to support North Bay Construction Corps programming.			
Improve transportation options for residents to connect with employers and essential services.			

## ACTIONS & TIMELINES

### Economy

#### GOAL E1

Develop and support a high quality and equitable local workforce that contributes to rebuild efforts, resiliency, and long-term economic vitality in Sonoma County.

##### ACTIONS COMPLETED:

- ✓ Received \$3.2 million in Emergency Additional Assistance grant funding from the California Employment Development Department to assist Dislocated Workers affected by the October wildfires. Grant funding will serve approximately 700 individuals with individualized career services and an additional 200 dislocated workers with reemployment assistance.

## ACTIONS & TIMELINES

### Economy

# GOAL E2

## GOAL E2

Support local businesses to thrive by ensuring access to resources, developing partnerships, and providing entrepreneurial support.

PROPOSED ACTIONS:	0-1 YEAR THROUGH 2019	2-3 YEARS 2020-2021	3+ YEARS 2022+
Assist public and private organizations in Sonoma County in accessing economic recovery loans and work with state and federal agencies, local banks, credit unions, and alternative lenders to support business lending and grants to qualified businesses and provide information in English and Spanish.			
Support "Open for Business" marketing effort and other targeted marketing efforts to let residents and visitors know that the County is up and running.			
Partner with Sonoma County Tourism and other partners to implement an economic recovery marketing campaign.			
Expand the GoSoCo campaign and support other shopping local shopping marketing efforts to increase public awareness of the economic benefits of shopping local.			
Collaborate closely with the agricultural community to identify specific economic recovery needs and programs.			
Expand broadband infrastructure across the county.			
Create Sonoma County AgTech Innovation and Manufacturing Alliance initiatives to facilitate local businesses as they work to address common issues.			

## ACTIONS & TIMELINES

### Economy

# GOAL E2

## GOAL E2

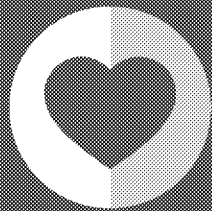
Support local businesses to thrive by ensuring access to resources, developing partnerships, and providing entrepreneurial support.

### ACTIONS COMPLETED:

- ✓ Outreached to encourage employers to apply for SBA loans to recoup physical and economic damage.
- ✓ Continue to monitor additional resources that come available during recovery, such as the California IBank Disaster/ Loan Guaranty Programs, EDA Revolving Loan Funds, and HUD funding and encourage employers to apply.
- ✓ Applied for Economic Development Administration grant to complete the design/engineering for broadband in specific unserved rural areas of the County. This project was developed with the Office of Recovery and Resiliency, Department of Transportation and Public Works, and Information Systems Department. The submitted application is for \$605,500 to complete the design, engineering, and feasibility analysis of broadband in select locations.

## SAFETY NET SERVICES

# VISION



Sonoma County will restore and improve resiliency of health and social services systems, networks, and capabilities to promote equity, independence, and well-being for the community.